

1 AN ACT making appropriations for the operations, maintenance, support, and
2 functioning of the Judicial Branch of the government of the Commonwealth of Kentucky
3 and its various officers, boards, commissions, subdivisions, and other state-supported
4 activities.

5 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

6 ➔Section 1. The Judicial Branch Budget is as follows:

7 **PART I**
8 **OPERATING BUDGET**

9 **(1) Funds Appropriations:** There is appropriated out of the General Fund,
10 Restricted Funds accounts, or Federal Funds accounts for the fiscal year beginning July 1,
11 2020, and ending June 30, 2021, and for the fiscal year beginning July 1, 2021, and
12 ending June 30, 2022, the following sums to be used for the purposes of the Judicial
13 Branch of the government of the Commonwealth of Kentucky, including the Supreme
14 Court, Court of Appeals, Circuit Court, Family Court, District Court, the Administrative
15 Office of the Courts, Judicial Retirement, Local Facilities Fund, Local Facilities Use
16 Allowance Contingency Fund, and for services performed by the Circuit Court Clerks'
17 offices, including both Circuit and District Court support.

18 **A. JUDICIAL BRANCH**

19 **Budget Units**

20 **1. Court of Justice**

21 **a. Court Operations and Administration**

	2020-21	2021-22
22 General Fund	256,436,700	259,914,500
23 Restricted Funds	52,343,600	51,200,400
24 Federal Funds	3,190,000	2,807,300
25 TOTAL	311,970,300	313,922,200

26 **(1) Defined Calculations:** Included in the above General Fund appropriation is
27

1 \$3,208,100 in fiscal year 2020-2021 and \$6,159,300 in fiscal year 2021-2022 to provide
2 funds for the increase in the employer cost of health and life insurance, the employer cost
3 of retirement, and one percent annual increments in each fiscal year for all non-elected
4 and elected personnel.

5 (2) **Civil Filing Fees:** Pursuant to its authority, if the Supreme Court retains the
6 increases in civil filing fees that were effective in 2008 and 2018, the additional income
7 resulting from the fee increases, not to exceed \$15,468,100 in each fiscal year of the
8 biennium, shall be deposited into a trust and agency account for court operations and
9 salaries for non-elected personnel. Any revenue generated by these increases in excess of
10 the \$15,468,100 in each fiscal year of the biennium shall be deposited into the General
11 Fund.

12 (3) **Night Court in Jefferson County:** The Administrative Office of the Courts
13 shall continue the operations and current schedule of night court in Okolona and
14 Middletown in Jefferson County in fiscal year 2020-2021 and fiscal year 2021-2022.

15 (4) **Circuit Clerk Expense Allowance:** Notwithstanding KRS 64.058, each
16 Circuit Clerk shall receive an expense allowance of \$2,400 annually, at the rate of \$200
17 per month, in the 2020-2022 fiscal biennium.

18 **b. Local Facilities Fund**

19		2020-21	2021-22
20	General Fund	114,514,200	117,124,200

21 (1) **Local Facility Projects:** Included in the above General Fund appropriation is
22 \$2,345,700 in fiscal year 2020-2021 and \$5,026,500 in fiscal year 2021-2022 to support
23 the use allowance, operating, and non-recurring furniture and equipment costs for two
24 judicial center projects authorized by the 2018 General Assembly.

25 (2) **Maintenance Pool:** Included in the above General Fund appropriation is
26 \$3,000,000 in each fiscal year to create a maintenance pool for planned and unanticipated
27 non-capital projects for local courthouses and judicial centers.

1 **(3) Local Court Facility Compensation:** Included in the above General Fund
 2 appropriation are moneys to compensate local units of government for providing court
 3 space and for costs incurred in the development of local court facilities as defined in KRS
 4 Chapter 26A and provided in Part II of this Act, and to perform all other acts required or
 5 authorized by KRS Chapter 26A.

6 **(4) Use Allowance Payments to Counties:** Pursuant to KRS 26A.090(2),
 7 beginning with court facility construction or renovation projects authorized by the 2000
 8 Regular Session of the General Assembly and all subsequent court facility projects, use
 9 allowance payments are restricted to the court's proportional share of the annual principal
 10 and interest costs in connection with the construction or renovation of the facility, not to
 11 exceed the authorized annual use allowance.

12 **(5) Court Facility Maintenance Fund:** (a) Notwithstanding KRS
 13 26A.090(2), when there is no debt on court facility construction or renovation projects
 14 authorized prior to the 2000 Regular Session of the General Assembly, use allowance is
 15 restricted to compensation equal to two percent annually of capital costs to be paid to the
 16 county unit of government and two percent annually to be retained by the Administrative
 17 Office of the Courts and directed to a separate fund specifically for maintenance of court
 18 facilities.

19 (b) The fund created pursuant to paragraph (a) of this subsection shall be used for
 20 routine, ongoing, planned, and unanticipated maintenance for court facilities.

21 **c. Local Facilities Use Allowance Contingency Fund**

	2020-21	2021-22
22 General Fund	-0-	-0-

24 **(1) Funds Carry Forward:** Notwithstanding KRS 45.229, any unexpended
 25 balance remaining at the close of fiscal year 2019-2020 shall not lapse and shall continue
 26 into fiscal year 2020-2021, and any unexpended balance remaining at the close of fiscal
 27 year 2020-2021 shall not lapse and shall continue into fiscal year 2021-2022 to provide

1 for cost overruns in authorized court facilities projects not to exceed 15 percent of the use
2 allowance in accordance with KRS Chapter 26A.

3 **TOTAL - COURT OF JUSTICE**

4		2020-21	2021-22
5	General Fund	370,950,900	377,038,700
6	Restricted Funds	52,343,600	51,200,400
7	Federal Funds	3,190,000	2,807,300
8	TOTAL	426,484,500	431,046,400

9 **2. Judicial Retirement System**

10		2020-21	2021-22
11	General Fund	7,147,500	7,175,400

12 **(1) Judicial Retirement Benefits:** General Fund amounts are included to provide
13 actuarial-assessed judicial retirement benefits pursuant to KRS 21.345 to 21.580.

14 **(2) Administrative Expenses:** Pursuant to KRS 21.540, administrative expenses
15 shall be paid out of an administrative account which shall be funded by transfers of the
16 necessary moneys, in appropriate ratio, from the funds provided for in KRS 21.550 and
17 21.560.

18 **(3) Pension Benefit Increase:** Notwithstanding KRS 21.405(5), no pension
19 benefit increase shall be granted to recipients of a retirement allowance under KRS
20 21.345 to 21.580 on July 1, 2020, or July 1, 2021.

21 **TOTAL - JUDICIAL BRANCH**

22		2020-21	2021-22
23	General Fund	378,098,400	384,214,100
24	Restricted Funds	52,343,600	51,200,400
25	Federal Funds	3,190,000	2,807,300
26	TOTAL	433,632,000	438,221,800

27 **PART II**

CAPITAL PROJECTS BUDGET

1
2 **(1) Authorization of Capital Projects:** It is the intent of the General Assembly
3 that any capital project proposed by any state government entity, including the agencies
4 and subdivisions of the Court of Justice, shall be authorized by the General Assembly
5 prior to the project's financing and construction, in accordance with KRS 7A.010,
6 7A.120, 45.750, 45.760, 45.763, 45.765, and 48.110. Pursuant to KRS 45.760(1), the
7 amount allotted, from all sources, for expenditure on any capital project, including leases
8 as defined by KRS 45.750, shall not exceed the estimated cost as shown in this Act.

9 **(2) Capital Projects and Bond Oversight Committee:** Capital construction
10 projects and major items of equipment that are not specifically listed in this Act may be
11 authorized only after submission of the project to the Capital Projects and Bond
12 Oversight Committee and in accordance with the other requirements of KRS 45.760(7).
13 Moneys may be transferred to the allotment account of any capital project only after
14 submission of the project to the Capital Projects and Bond Oversight Committee and in
15 accordance with the other requirements of KRS 45.760(6). As required by KRS 45.760,
16 all capital construction items authorized in this Act shall be constructed in accordance
17 with this Act, supporting documentation considered by the General Assembly, and
18 Judicial Branch budget records. Any modifications to the scope of a capital construction
19 project or to a lease shall be reported to the Capital Projects and Bond Oversight
20 Committee before execution.

21 **(3) Court Facility Planning Process:** The county shall require the Project
22 Development Board to hire a certified architect not otherwise involved with the project to
23 conduct an independent feasibility study to determine whether the needs of the
24 community and the Court of Justice can best be met through the construction of a
25 freestanding building, or through an addition and/or renovation of the existing court
26 facility. The cost for this study shall be an accepted and approved portion of the planning
27 process, and shall be eligible for reimbursement from the bond proceeds.

1 **(4) Deferred Funding:** General Fund support to provide operating costs totaling
2 \$340,400, annualized use allowance payments totaling \$2,243,900, and nonrecurring
3 furniture and equipment costs of \$1,000,000 for Butler and Crittenden Counties is
4 deferred to the 2022-2024 fiscal biennium.

5 **(5) Local Facilities Use Allowance Contingency Fund:** For any court facility
6 project which is occupied and use allowance funding is insufficient, the use allowance
7 payments shall be approved from the Local Facilities Use Allowance Contingency Fund.
8 If funds are not available in the Local Facilities Use Allowance Contingency Fund, the
9 Chief Justice may transfer funds from other Judicial Branch accounts in accordance with
10 Part III, General Provisions, Section 7. of this Act to make the necessary payments.

11 **(6) Edmonson County Courthouse Additional Parking Lot:** (a) General
12 Fund support of \$70,800 in fiscal year 2020-2021 is contained in the Local Facilities
13 Fund for an additional parking lot in Brownsville. This funding shall be contingent upon
14 the local unit of government contributing \$20,000 towards the completion of the
15 additional parking lot.

16 (b) Notwithstanding any statute to the contrary, any unexpended balance from the
17 appropriation set forth in paragraph (a) of this subsection shall be transferred to the
18 Budget Reserve Trust Fund Account (KRS 48.705).

19 **A. JUDICIAL BRANCH**

20 **Budget Units**

21 **1. Local Facilities Fund**

22 Project	23 Project Scope
24 001. Butler	11,860,000
25 002. Crittenden	11,965,000

26 **2. Lease Authorizations**

- 27 **001.** Franklin County - Lease - Court of Appeals
- 002.** Jefferson County - Lease - Parking

1 **PART III**

2 **GENERAL PROVISIONS**

3 **1. Expenditure Authority:** The Director of the Administrative Office of the
4 Courts, with the approval of the Chief Justice, may expend any of the funds appropriated
5 for court operations and administration in any lawful manner and for any legal purpose
6 that the Chief Justice shall authorize or direct. No executive agency of state government
7 shall have the power to restrict or limit the expenditure of funds appropriated to the
8 Judicial Branch of government.

9 **2. Severability of Budget Provisions:** Appropriation items and sums in this Act
10 conform to KRS 48.311. If any section, any subsection, or any provision thereof shall be
11 invalid or unconstitutional, the decision of the courts shall not affect or impair any of the
12 remaining sections, subsections, or provisions.

13 **3. Duplicate Appropriations:** Any appropriation item and sum in this Act and
14 in an appropriation provision in another Act of the 2020 Regular Session of the General
15 Assembly which constitutes a duplicate appropriation shall be governed by KRS 48.312.

16 **4. Priority of Individual Appropriations:** KRS 48.313 shall control when a
17 total or subtotal figure in this Act conflicts with the sum of the appropriations of which it
18 consists.

19 **5. Carry Forward of Funds:** Notwithstanding KRS 45.229, any unexpended
20 balance remaining at the close of the fiscal years ending June 30, 2020, and June 30,
21 2021, shall not lapse and shall continue into the next fiscal year.

22 **6. Final Budget Document:** The Director of the Administrative Office of the
23 Courts shall prepare a final budget document reflecting the 2020-2022 biennial budget of
24 the Court of Justice. A copy shall be provided to the Legislative Research Commission,
25 and an informational copy shall be furnished to the Finance and Administration Cabinet,
26 within 60 days of the adjournment of the 2020 Regular Session of the General Assembly.

27 **7. Transferability of Funds:** The Chief Justice of the Commonwealth of

1 Kentucky shall have the ability to transfer funds to other programs and budget units
2 within the Judicial Branch. Any funds transferred to other budget units within the Judicial
3 Branch may be used to support any activity, program, or operation of the budget unit or
4 program receiving the respective funds.

5 **8. Appropriations Revisions:** Notwithstanding KRS 48.630(10), no revisions
6 for unbudgeted Restricted Funds appropriations for expenditure shall be allotted or
7 expended that have not been appropriated in any enacted branch budget bill or without
8 the express authority of the General Assembly. Proposed revisions to unbudgeted Federal
9 Funds appropriations for expenditure in this Act shall be made and reported to the Interim
10 Joint Committee on Appropriations and Revenue. The Director of the Administrative
11 Office of the Courts shall notify, on a timely basis, the Legislative Research Commission
12 of the most current estimates of anticipated receipts for the affected fiscal year and an
13 accompanying statement which explains variations from the anticipated amount.

14 **9. Issuance of Paychecks to Employees:** Notwithstanding 101 KAR 2:095,
15 Section 10, the state payroll that would normally be scheduled to be paid on June 30,
16 2020, June 30, 2021, and June 30, 2022, shall not be issued prior to July 1, 2020, July 1,
17 2021, and July 1, 2022, respectively.

18 **10. Maximum Salary of Trial Commissioners:** Pursuant to KRS 24A.100(3), no
19 trial commissioner shall be compensated at a rate greater than \$7,200. No funding is
20 provided for trial commissioners commissioned in counties with a residing District Judge.

21 **11. Authorized Personnel Complement:** On July 1, 2020, the Administrative
22 Office of the Courts shall establish a record for each budget unit of authorized permanent
23 full-time and other positions based upon the enacted Judicial Budget of the
24 Commonwealth and any adjustments authorized by provisions in this Act. The total
25 number of filled permanent full-time and all other positions shall not exceed the
26 authorized complements pursuant to this section. The Director of the Administrative
27 Office of the Courts may request an increase in the number of authorized positions to the

1 Chief Justice. Upon approval, the Administrative Office of the Courts may authorize the
2 employment of individuals in addition to the authorized complement. A report of the
3 actions authorized in this section shall be provided to the Interim Joint Committee on
4 Appropriations and Revenue on a monthly basis.

5 **12. Debt Restructuring:** Notwithstanding any other provision of the Kentucky
6 Revised Statutes, use allowance payments shall not be amended to reflect debt
7 restructuring transactions undertaken by a county during the 2020-2022 fiscal biennium.

8 **13. Court Facility Maintenance Fund Report:** For each of the periods ending
9 June 30, 2020, and June 30, 2021, the Director of the Administrative Office of the Courts
10 shall prepare a court facility maintenance report. This report shall detail all court facility
11 maintenance undertaken by the Court of Justice, to include any cost-sharing with
12 counties, as well as detail regarding future maintenance needs. This report shall include a
13 statewide expenditure summary followed by individual county expenditures detailing the
14 state's and county's respective share of expenditures. The Administrative Office of the
15 Courts shall provide this report to the Interim Joint Committee on Appropriations and
16 Revenue by September 15 of each fiscal year.

17 **14. Annual Audits:** (1) The Court of Justice shall obtain an annual, external
18 financial audit of all funds and accounts under its administration. Each audit shall be
19 conducted in accordance with Generally Accepted Government Auditing Standards.

20 (2) The selected accountant shall forward a copy of the audit report and
21 management letters to the Auditor of Public Accounts and the Interim Joint Committee
22 on Appropriations and Revenue within 60 days of the completion of each audit.

23 (3) The Auditor of Public Accounts shall have the right to review the report
24 required in subsection (2) of this section.

25 **15. Budgetary Restructuring:** The Court of Justice is hereby notified that it is
26 the intent of the General Assembly that, beginning with the 2022-2024 biennium, the
27 Court of Justice shall establish new appropriation units specific to the Supreme Court,

1 Court of Appeals, Circuit Court, Family Court, District Court, Administrative Office of
2 the Courts, Judicial Retirement, Local Facilities Fund, Local Facilities Use Allowance
3 Contingency Fund, and for services performed by the Circuit Court Clerks' offices. The
4 Court of Justice shall also begin tracking expenditures by location for each of the new
5 appropriation units identified herein.

6 **16. Employee Layoffs, Furloughs, and Reduced Hours:** Notwithstanding any
7 statute to the contrary, the following process and procedure is established for July 1,
8 2020, through June 30, 2022, in the event that the Chief Justice determines that it is
9 desirable for the Court of Justice to layoff, furlough, or reduce hours of employees:

10 (1) For the purposes of this section:

11 (a) "Appointing authority" means the Chief Justice, in his or her capacity as
12 provided in KRS 27A.010, or any agent whom he or she has delegated to act on his or her
13 behalf with respect to employee appointments, position establishments, payroll
14 documents, reemployment requests, waiver requests, requests for certification, or other
15 position actions for the Court of Justice;

16 (b) "Furlough" or "reduction in hours" means the temporary reduction of hours an
17 employee is scheduled to work by the appointing authority within a pay period;

18 (c) "Layoff" means discharge of employment subject to the rights contained in
19 this section; and

20 (d) "Employees" includes all persons employed by the Court of Justice;

21 (2) Upon an order by the Chief Justice, an appointing authority has the authority
22 to layoff or furlough employees or reduce hours of employment for any of the following
23 reasons:

24 (a) Lack of funds or budgetary constraints;

25 (b) A reduction in the agency's spending authorization;

26 (c) Lack of work;

27 (d) Abolishment of a position; or

1 (e) Other material change in duties or organization;

2 (3) The appointing authority shall determine the job classifications affected and
3 the number of employees laid-off in each classification and each county to which a layoff
4 applies. In the same department or office, county, and job classification, interim and
5 probationary employees shall be laid-off before any full-time or part-time employees with
6 status are laid-off. For purposes of layoff, "probationary employee" does not include an
7 employee with status serving a promotional probation;

8 (4) The Chief Justice shall approve and implement all actions taken under
9 subsection (2) of this section and no such layoff, furlough, or reduction of hours may
10 begin until such approval has been granted. The Chief Justice has the authority to
11 determine the extent, effective dates, and length of any action taken under subsection (2)
12 of this section;

13 (5) In determining the employees to be laid-off, the appointing authority shall
14 consider all employees under the same appointing authority, within the job classification
15 affected, and within the county affected. Consideration shall be given to the following
16 relevant factors:

17 (a) Job performance evaluations;

18 (b) Seniority;

19 (c) Education, training, and experience; and

20 (d) Disciplinary record;

21 (6) Any employee whose position is subject to layoff, furlough, or reduction of
22 hours shall be provided written notice containing the reason for the action as set forth in
23 subsection (2) of this section at 15 days in advance of the effective date of the action;

24 (7) Any tenured employee who is laid-off shall be eligible to apply as a
25 reemployment applicant for positions with the same job classification in the Court of
26 Justice. For a period of two years, a reemployment applicant shall be hired before any
27 applicant except another reemployment applicant with greater seniority who is on the

1 same reemployment list. When a reemployment applicant is removed from a
2 reemployment list, he or she shall be notified in writing. A reemployment applicant who
3 accepts another Court of Justice position, tenured or non-tenured, or who retires, shall
4 cease to have eligibility rights as a reemployment applicant;

5 (8) The appointing authority may place employees subject to a reduction in force;

6 (9) Furloughs or reduction of hours during a pay period shall not result in the loss
7 of eligibility for any benefit otherwise due the employee;

8 (10) The appointing authority shall have the authority to promulgate
9 comprehensive administrative regulations governing this section; and

10 (11) A layoff, furlough, or reduction of hours implemented in accordance with this
11 section shall not be considered a penalization of the employee.

12 **17. Unexpended Use Allowance:** Notwithstanding any other provision of the
13 Kentucky Revised Statutes, any General Fund moneys appropriated for use allowance
14 payments in fiscal years 2020-2021 and 2021-2022 that are not expended specifically for
15 use allowance payments shall be transferred to the Budget Reserve Trust Fund Account
16 (KRS 48.705).

17 **18. Judicial Redistricting Working Group:** Having determined that there is a
18 need to conduct judicial redistricting, the Chief Justice is hereby directed to establish a
19 working group composed of the following:

20 (1) All Justices of the Supreme Court;

21 (2) The Public Advocate or his representative; and

22 (3) Any number of the following to be determined by the Chief Justice:

23 (a) Circuit Court Judges;

24 (b) District Court Judges;

25 (c) Court of Appeals Judges;

26 (d) Circuit Court Clerks; and

27 (e) Commonwealth's Attorneys.

1 The working group shall be attached to the Administrative Office of the Courts for
2 administrative support. The members of the working group shall support the Supreme
3 Court in its assessment of current and future needs and the impact those needs have on
4 the state workforce and judicial court caseloads. The working group shall provide advice
5 and recommendations to the Supreme Court and Legislature regarding redistricting
6 priorities and strategies for addressing those priorities.

7 The Director of the Administrative Office of the Courts shall report relevant details
8 regarding the final priorities and strategies for addressing those priorities to the
9 Legislative Research Commission no later than 60 days following the last meeting of the
10 working group.

11 **19. Kentucky Employees Retirement Systems Employer Contributions:**

12 (1) Pursuant to KRS 61.565 and 61.702, from July 1, 2020, through June 30,
13 2022, the Judicial Branch shall contribute to the Kentucky Employees Retirement
14 Systems a sufficient sum to satisfy its total share of the actuarially accrued liability
15 contributions and normal cost contributions for nonhazardous duty employees as
16 determined by the Kentucky Retirement Systems' actuary.

17 (2) Pursuant to KRS 61.565 and 61.702, beginning with the payroll scheduled to
18 be issued on July 1, 2020, and each pay period thereafter, the Judicial Branch shall
19 contribute normal cost contributions in subsection (1) of this section to the Kentucky
20 Employees Retirement Systems nonhazardous duty plan on the last business day of each
21 month in fiscal year 2020-2021 and fiscal year 2021-2022.

22 (3) Notwithstanding KRS 61.565 and 61.702, the actuarially accrued liability
23 direct contributions in subsection (1) of this section shall be transferred in twelve monthly
24 installments to the Kentucky Employees Retirement Systems nonhazardous duty plan on
25 the last business day of each month in fiscal year 2020-2021 and fiscal year 2021-2022.

26 (4) Pursuant to KRS 61.565 and 61.702, when the Director of the Administrative
27 Office of the Courts has been notified that the actuarially accrued liability contribution

1 has been met for the Kentucky Employees Retirement Systems nonhazardous duty plan
2 each fiscal year, only the normal cost employer contributions shall continue to be
3 transferred to the Kentucky Employees Retirement Systems nonhazardous duty plan, and
4 the Judicial Branch shall cease to make actuarially accrued liability contributions for the
5 remainder of the fiscal year.

6 **PART IV**

7 **BUDGET REDUCTION OR SURPLUS EXPENDITURE PLAN**

8 The Judicial Branch shall participate in any Budget Reduction Plan or Surplus
9 Expenditure Plan in accordance with KRS Chapter 48, except that obligations essential to
10 the constitutional duties and use allowance of the Judicial Branch shall be exempt from
11 any Budget Reduction Plan. The level of participation in a Budget Reduction Plan shall
12 be at the discretion of the Chief Justice and shall not exceed the actual percentage of
13 revenue shortfall.